



THE UNIVERSITY OF UTAH
UTAH EDUCATION
POLICY CENTER

Bridging Research, Policy, and Practice

Consistent with our mission of identifying and providing information that can be used to inform discussions about educational policy issues, we are providing a brief summary of empirical research on school vouchers. If you have further questions or need additional information, please contact us at:

Utah Education Policy Center
1705 Campus Center Dr. Rm. 339 • Salt Lake City, UT 84112
(801) 581-3383 • (801) 585-5566
<http://uepc.ed.utah.edu/>

Summary of Research on Vouchers

Information relative to school vouchers comes in many forms, including empirical research as well as an abundance of commentary pieces and advocacy reports. As a result, both opponents and proponents may selectively choose from among the available information. While the range of information is revealing with regard to ideological and philosophical positions, all information does not constitute research. Here we briefly summarize empirical studies to date on voucher programs in the US and other nations regarding accessibility of choice and outcomes associated with vouchers.

Voucher Programs in US and Other Countries

Voucher programs are designed to expand the schooling options for students. However, the access to vouchers and private schools depends on many factors, including:

- Whether the full cost of schooling is covered by vouchers, including the cost of special education and the provision of transportation,
- Whether the supply of private schools is big enough to absorb the demand for admission, and
- Whether private schools are allowed to select students they desire and decline students who may need additional resources to educate.

If these conditions are not satisfied, the freedom to choose will be restricted and the ability of some groups of families to participate in a voucher program will be greatly limited (Epple & Romano, 1998; Levin, 1998).

Who has choice and who chooses? Most existing voucher programs in the US target students from low-income families in urban areas or students in low-performing schools, while other countries such as Chile, New Zealand and some countries in Europe, have introduced large-scale and universal voucher and choice programs that involve private schools. Whether choice is universally accessible or restricted to certain groups of students, stratification among students may occur. The following types of stratification have been documented by empirical research to date.

- As found in Milwaukee and other restricted voucher programs, parents using vouchers tend to have higher educational levels than families who are voucher-eligible but declined to use the vouchers (Peterson, Howell, & Greene, 1997; Rouse, 1998; Witte & Thorn, 1996).
- Research on US private schools, charter schools, and inter-district choice usually suggests more racial and social segregation (See e.g. Bifulco & Ladd, 2006; Carnoy, Jacobsen, Mishel et al., 2005; Cobb & Glass, 1999; Frankenberg & Lee, 2003; Scott, 2005; Wells, Holme, Lopez et al., 2000).
- International experience in European countries also consistently shows increasing polarization by student ethnicity and socioeconomic status (SES) associated with school choice policies (Ladd, 2002).
- In New Zealand's system of public choice, Ladd and Fiske (2001) found that "choosing" families were most likely to opt for higher SES schools, and ethnic minority students with the lowest performance and lowest SES end up concentrated in public schools serving disproportionately minority and low SES students.
- Twenty years after the implementation of the nationwide voucher program in Chile in 1981, researchers also found that the program led to increased sorting, as the public school students from families with higher levels of income and educational attainment left for the private schools (Elacqua, 2006; Hsieh & Urquiola, 2003).
- Students with disabilities who are voucher-eligible are underrepresented in voucher programs (Gill, Timpane, Ross et al., 2001).

Do vouchers improve student achievement? Although improvement in student achievement is an anticipated outcome of most education reform, school vouchers do not necessarily produce such results.

- In fact, to date no systematic improvement has been found for voucher participants (Witte, 1997, 2000; Greene, Peterson, & Du, 1998; Rouse, 1998; Greene, Howell and Peterson, 1997, 1999; Metcalf, 2003; Belfield, 2006; Howell & Peterson, 2002; Mayer, Peterson, Myers et al., 2002; Krueger & Zhu, 2004a).
- There have been reported small positive improvements for African American students (Howell & Peterson, 2002; Mayer, Peterson, Myers et al., 2002). However, the magnitude of improvement is quite sensitive to the definition of race and study design (Krueger & Zhu, 2000b; Myers & Mayer, 2003).
- Other student outcomes, such as graduation rates, college enrollment, and post-school success, have so far received much less attention in the empirical research because of the lack of data and complex nature of existing voucher programs.

- International research on large-scale vouchers has also yet to generate clear conclusions about the impact of choice and competition on student achievement and other student outcomes (Plank & Sykes, 2003).

What is the effect on public schools? Many proponents of school choice argue that market-based reforms will lead to improved schooling for all, including those in public schools. To date, this proposition has not withstood the empirical tests.

- While Hoxby (2003) reported that public schools in Milwaukee that are most subject to competition (at least two-thirds of the students were eligible for vouchers) had dramatically higher achievement increases than public schools with fewer or no students eligible for vouchers, this study has been criticized for overstating the potential gains because the author was unable to take into account the changing mix of students (Ladd, 2002; McEwan, 2004).
- This month the Economic Policy Institute, who relied on more recent data and modified methodology based on Hoxby's models, found "essentially no evidence that students in those traditional public schools in Milwaukee facing more competition achieve higher test score gains" (Carnoy, Adamson, Chudgar et al., 2007).
- Likewise, mixed evidence has been produced by research on Florida's Opportunity Scholarship vouchers (Greene, 2001; Greene & Winters, 2004; Figlio & Rouse, 2006).
- Greene and Winters (2006) also evaluated the first federally sponsored school voucher program in Washington DC and reported it has had no effect on student achievement in the District's public schools after its first year of implementation.

A careful assessment of the research, especially on the more recent studies based on refined methodologies of previous work, suggests vouchers produced no significant improved impact on public schools. One reason might be that small-scale voucher programs are not sufficiently threatening to public schools to spur improvement in their performance (Hess, 2002). The evidence is not supportive from the international experience either, where competition from large-scale vouchers failed to improve public schools (Plank & Sykes, 2003; Hsieh & Urquiola, 2003). In particular, the competition is likely to exacerbate the problems of low-performing schools. With the sorting found in the unrestricted choice plans in both Chile and New Zealand, low-performing schools with large concentrations of low SES students and students of color tend to have difficulties competing for students and resources (Ladd & Fiske, 2001).

Continuing the Discussion, Development, and Implementation of School Choice Provisions

Empirical evidence (Howell & Peterson, 2002; Peterson & Hassel, 1998; Witte, 2000) shows that parents who exercise choice options (e.g., charters, voucher) generally enjoy great satisfaction in having participated in a choice program. While the increasing demand for school choice alternatives warrants attention, there are, however, cautions in overstating or overestimating outcomes (positive or negative repercussions) of such policies. Specifically, questions that remain regarding decisions to adopt and/or enact any school choice provision include:

- How are school choice provisions designed to maximize benefits?
- How are these programs implemented?
- How are school choice provisions implemented?
- How are school choice provisions evaluated?
- Who has the ability to exercise choice and under what conditions?
- What are the benefits (e.g., financial, academic, social) to students who participate in choice programs? And who receives these benefits? In other words, if student achievement is not ultimately the outcome, then what outcomes are sought?
- What are the affects (e.g., financial, academic) of choice programs on the receiving private schools as well as the neighborhood public schools and districts?
- What are the implications and costs of increased racial and social segregation in our school systems?

References

- Belfield, C. R. (2006). *The Evidence on Education Vouchers: An Application to the Cleveland Scholarship and Tutoring Program*: National Center for the Study of Privatization of Education, Teachers College, Columbia University.
- Bifulco, R., & Ladd, H. F. (2006). School choice, racial segregation, and test-score gaps: Evidence from North Carolina's charter school program. *Journal of Policy Analysis and Management*, 26(1), 31-56.
- Carnoy, M., Adamson, F., Chudgar, A., Luschei, T. F., & Witte, J. F. (2007). *Vouchers and Public School performance: A Case Study of the Milwaukee parental Choice Program*. Washington, DC Economic Policy Institute
- Carnoy, M., Jacobsen, R., Mishel, L., & Rothstein, R. (2005). *The Charter School Dust-Up: Examining the Evidence on Enrollment and Achievement*. New York: Teachers College Press.
- Cobb, C. D., & Glass, G. V. (1999). Ethnic segregation in Arizona charter schools. *Education Policy Analysis Archives*, 7(1).
- Elacqua, G. (2006). *Enrollment Practices in Response to Vouchers: Evidence from Chile*: National Center for the Study of Privatization in Education, Teachers College, Columbia University.
- Epple, D., & Romano, R. (1998). Competition Between Private and Public Schools, Vouchers, and Peer-Group Effects. *American Economic Review*, 88(1), 33-62.
- Figlio, D. N., & Rouse, C. (2006). Do Accountability and Voucher Threats Improve Low-Performing Schools? *Journal of Public Economics*, 90(1-2), 239-255.
- Frankenberg, E., & Lee, C. (2003). Charter schools and race: A lost opportunity for integrated education. *Education Policy Analysis Archives*, 11(32)
- Gill, B. P., Timpane, P. M., Ross, K. E., & Brewer, D. J. (2001). *Rhetoric Versus Reality: What We Know and What We Need to Know About Vouchers and Charter Schools*: RAND.
- Greene, J. P. (2001). *An Evaluation of the Florida A-Plus Accountability and School Choice Program*: Manhattan Institute for Policy Research, Center for civic Innovation.
- Greene, J. P., Howell, W. G., & Peterson, P. E. (1997). Lessons from the Cleveland Scholarship Program. In P. E. Peterson & B. C. Hassel (Eds.), *Learning from School Choice* (pp. 357-392).
- Greene, J. P., Howell, W. G., & Peterson, P. E. (1999). *An Evaluation of the Cleveland Voucher Program after Two years*: Harvard University, Program on Education Policy and Governance
- Greene, J. P., Peterson, P. E., & Du, J. (1998). School Choices in Milwaukee: A Randomized Experiment. In P. E. Peterson & B. Hassel (Eds.), *Learning from School Choice*: Brookings Institution.
- Greene, J. P., & Winters, M. A. (2004). Competition Passes the Test: Vouchers Improve Public Schools in Florida. *Education Next*, 4(3).
- Greene, J. P., & Winters, M. A. (2006). *An Evaluation of the Effect of D.C.'s Voucher Program on Public School Achievement and Racial Integration After One Year* (No. SCDP-06-01). New York, N.Y.: Manhattan Institute for Policy Research.

- Hess, F. M. (2002). *Revolution at the Margins: The Impact of Competition on Urban School Systems*. Washington, DC: Brookings Institution Press
- Howell, W. G., & Peterson, P. E. (2002). *The Education Gap: Vouchers and Urban Public Schools* (Revised Edition ed.). Washington, DC: Brookings Institution Press.
- Hoxby, C. M. (2003). School Choice and School Productivity: Could School Choice Be a Tide That Lifts All Boats? In C. M. Hoxby (Ed.), *The Economics of School Choice*. Chicago: University of Chicago Press.
- Hsieh, C.-T., & Urquiola, M. (2003). *When Schools Compete, How Do They Compete? An Assessment of Chile's Nationwide School Voucher Program* (No. 10008): NBER Working Paper.
- Krueger, A. B., & Zhu, P. (2004a). Another Look at the New York City School Voucher Experiment. *American Behavioral Scientist*, 47(5), 658-698.
- Krueger, A. B., & Zhu, P. (2004b). Inefficiency, Subsample Selection Bias, and Nonrobustness: A Response to Paul E. Peterson and William G. Howell. *American Behavioral Scientist*, 47(5), 718-728.
- Ladd, H. F. (2002). School Vouchers: A Critical View. *Journal of Economic Perspectives*, 16(4), 3-24.
- Ladd, H. F., & Fiske, E. B. (2001). The Uneven Playing Field of School Choice: Evidence from New Zealand. *Journal of Policy Analysis and Management*, 20(1), 42-63.
- Levin, H. M. (1998). Educational Vouchers: Effectiveness, Choice, and Costs. *Journal of Policy Analysis and Management*, 17(3), 373-392.
- Mayer, D. P., Peterson, P. E., Myers, D. E., Tuttle, C. C., & Howell, W. G. (2002). *School Choice in New York City After Three Years: An Evaluation of the School Choice Scholarships Program* (No. 8404-045): Mathematica Policy Research, Inc.
- McEwan, P. J. (2004). The Potential Impact of Vouchers. *Peabody Journal of Education*, 79(3), 57-80.
- Metcalf, K. (2003). *Evaluation of the Cleveland Scholarship and Tutoring Program, Summary Report 1998-2002*: Indiana Center for Evaluation.
- Myers, D. E., & Mayer, D. P. (2003). *Comments on "Another Look at the New York City Voucher Experiment"*. Washington, DC: Mathematica Policy Research, Inc.
- Peterson, P. E., & Hassel, B. (1998). *Learning from School Choice*. Washington DC: Brookings Institution.
- Peterson, P. E., Howell, W. G., & Greene, J. P. (1997). *An Evaluation of the Cleveland Voucher Program after Two Years*: Program on Education Policy and Governance, Harvard University.
- Plank, D., & Sykes, G. (2003). *Choosing Choice: School Choice in International Perspective*. New York: Teachers College Press.
- Rouse, C. (1998). Private School Vouchers and Student Achievement: An Evaluation of the Milwaukee Parental Choice Program. *Quarterly Journal of Economics*, 113(2), 553-602.
- Scott, J. (2005). *School Choice and Diversity*. New York City: Teachers College Press.
- Wells, A. S., Holme, J. J., Lopez, A., & Cooper, C. W. (2000). Charter schools and racial and social class segregation: Yet another sorting machine. In R. D. Kahlenberg

- (Ed.), *A notion at risk: Preserving education as an engine for social mobility* (pp. 169-222). New York: Century Foundation Press.
- Witte, J. (1997). *Achievement Effects of the Milwaukee Voucher Program*: University of Wisconsin mimeo.
- Witte, J. (2000). *The market Approach to Education: an Analysis of America's First Voucher Program*. Princeton, N.J.: Princeton University Press.
- Witte, J., & Thorn, C. A. (1996). Who Chooses? Voucher and Interdistrict Choice Programs in Milwaukee. *American Journal of Education*, 104(2), 187-217.